Between the Lines

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Capitalism and the Future

Part One of a Two-Part Article

Capitalism and free enterprise have brought to Americans the highest standard of living known to any people. However, the economic system of free enterprise, as known and practiced by our fathers, is in danger of being destroyed, not by socialism, state collectivism or fascism, but by the selfishness and blindness of men who are utilizing their power and advantages to destroy the rights and opportunities of others. The profit system can endure in an awakened world only if men are fair and just in their relationships. In the post-war world, when so much will depend upon jobs and the right to earn a living, abuses of the profit system will not be tolerated, a fact made clearly evident by the recent political upheaval in England.

It is thus important for us to recognize the nature of these abuses as they appear in the form of growing monopolistic practices, entrenched cartel systems and other manifestations of selfish interests. Let us present a list of important examples of these evils. Note as you study them that the weaknesses revealed **do not lie within the nature of the profit system itself, but within the moral nature of the men who perpetrate these practices**—often the very men who make the biggest noise about the "preservation of our system of free enterprise."

Most of these reports have been suppressed in the press and on the radio. We have reported a few of them to our readers previously, but all are significant in the understanding of the basic problems that confront us.

Paper

An independent paper merchant, James F. Walsh, who attempted to practice a little free enterprise, found the going very rough when he went against the monopolistic agreement of the paper manufacturers. According to the Federal Trade Commission, 42 big corporations connected with the paper industry had formed a conspiracy to maintain identical prices in violation of the anti-trust laws.

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TWO GREAT IMMORALITIES are being accepted and practiced on a vast scale today. First, all through the history of civilization men have based justice and ethics on the principle that no one should be punished for crimes committed by another. Yet hundreds of thousands of men, women and children have been killed by fire and explosives for crimes of which they have had little knowledge and in which they have had no participation. Second, all through history men have known that theft cannot be halted by more theft, slavery by more slavery, murder by more murder, or hatred by more hatred. Yet all these evils are being committed today by conquerors and conquered alike behind a screen of diplomatic niceties. To grow angry at these revelations does not change the fact that such immoralities reveal how far modern civilization has drifted from the will of God.

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Seeds of Trouble

The peace outline shaped up at Potsdam is all that could be asked for, we are told. But, just as surely as God is in His heaven, there is going to be an explosion all over Europe in a few years unless some of the terms are changed. There are nearly 100,000,000 people in and around Germany who are being stripped of their iron ore and most of their coal, they have no access to oil, rubber, tin and other necessities of modern life. That means they are going to be impoverished, hungry and violently resentful.

You say, "They deserve it!" This generation, yes; if we are to blame the innocent with the guilty. **However, in a very few years a new, vigorous generation will have appeared. This new generation will not have been guilty and will not endure such harsh conditions. Why don't we ever learn that simple fact? It has happened repeatedly in history and it will happen again.**

The reason such a clamp-down has been kept on details of the Potsdam decision is that it isn't considered good for the average citizen of the world to know that the Atlantic Charter promise of just access to raw materials for all people has been violated; that the French and British are getting control of the iron ore and coal of the Ruhr and Saar valleys; that Russia is in possession of Germany's eastern coal and ore provinces; that the same old oil, tin and rubber monopolies are regaining their power and will be willing to sell their products, at a high price, to the 100,000,000 people around Germany. But how can payment be made out of unemployment and poverty?

In every picture Stalin grins as usual. He has plenty to grin about. He knows that the sight of a prosperous Russia spread all over the horizon east and north of these distressed 100,000,000 people will be the most powerful incentive imaginable for them to go socialist or communist. Russia will have no unemployment. The fellows who don't agree with the Kremlin will be forced into slave labor, but the others will be working to rebuild a bigger, better Russia.

There is a strong chance that the new London government may reverse the Churchill pressure and that liberal elements in America will augment this reversal. The Potsdam formula is really a Churchill-Roosevelt-Stalin product. At the next peace conference there may be a considerable change as Truman and Attlee have opportunity to exert influence. Certainly war equipment manufacture in Germany should be eliminated and heavy industry controlled, but the psychological effects of unnecessary impoverishment of the German people are also potential war breeders and should not be lightly dismissed from consideration.

Killer Nation?

The American people are being kept in the dark on one big point. Granted that the wholesale burning of thickly settled areas in Japan, with the incalcul-

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Thirteen members of this paper monopoly, all working hand-in-glove to keep prices high and block competition, bid on a government paper contract and offered paper at an identical price. Only one bidder, Walsh, quoted a lower price, the reduction in this case representing a cut of one per cent in his commission.

Walsh got the contract, but the paper manufacturers refused to fill his order. This refusal was due solely to Walsh's temerity in bucking the monopoly's price agreements, for the difference in the price of the paper he sold to the government was to come out of his commission and in no way affected the amount to be received by the paper manufacturers.

Bribery

Free enterprise was not even given lip service by the huge Bethlehem Steel Company when it wished to acquire control of a smaller firm. The investors in the Williamsport Wire Rope Company, which was in receivership in a Federal court, hoped through the sale of the concern to get a reasonable return on their money. However, the steel corporation bribed corrupt officials and got the Williamsport firm at a fraction of its real value.

The steel company's lawyer was given $240,000. He made arrangements through various intermediaries with Federal Judge Johnson of the Middle District of Pennsylvania, for the latter to release the Williamsport company to Bethlehem Steel at Bethlehem's price.

Judge Johnson is disgraced and some of his associates have received jail sentences, but nothing has been done to prosecute Bethlehem Steel Company for its part in this unsavory deal. Bethlehem officials claim they had no idea what their attorney was doing with the $240,000, but they admit that they hired lawyers and handed out the money. The corporation's plea of innocence under these circumstances is decidedly flimsy and would never stand in any ordinary criminal case.

Thus the smaller company, which

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able slaughter or unarmed civilians, has been determined a military necessity, ten years hence Americans will not be proud of their record as the greatest killer nation in history. This will be especially true when it is realized that we are killing women and children in larger numbers than we are the armed military.

This is a betrayal of the American character by unchristian thinking. Our boys fought a savage battle for Okinawa. Thousands of fine American lads lost their lives, but did those who survived take vengeance on the Japanese women and children on the island? No. You saw the picture of our soldiers healing and feeding the helpless who fell into their hands. Some hotheads at home, whose minds and sense of patriotism have been degraded by war, were jolted by the photographs of American boys holding Japanese children and babies in their arms. No American fighting man on the ground or in the air wants to kill women and children.

Our fliers, however, have been gradually led into the belief that their mission is widespread destruction. The fliers' training and first experiences were centered on precision bombing and pinpoint attacks to destroy war industries, railroads, communication centers, government buildings and supply areas. There are thousands of fliers who still feel that that is the best way to win a war. "Make every bomb bust a factory,—not a family," one flier put it. Without Americans in general becoming aware of it, a few men highly placed gradually forced the shift to mass indiscriminate slaughter and destruction. We must win the war in the quickest possible way, but many American fliers believe that wide-area bombing is wasteful and inefficient and prolongs the war. However, they don't dare say so openly—Army regulations, you know.

The War Department has severely suppressed details of the mass killing and roasting of thousands upon thousands of unarmed civilians. Those who are familiar with the details of these reports say that only a moron could read them without becoming sick with sadness and revulsion. Certainly no Christian can view this tearing away of all moral principles upon which to build a new world without deep questionings.

Senate Report

Very little has reached the public concerning the findings of the special Senate committee which has studied our problems in Europe. Senators Kilgore (Dem., W. Va.) and Meade (Dem., N. Y.) were leaders of the investigation.

1. While the over-all task of supplying our troops in Europe was a remarkable achievement, a great outcry was whipped up during the war about the shortage of artillery said to be handicapping our soldiers' progress. As our readers no doubt remember, the press and voices of industrial leadership made a tremendous anti-labor barrage out of this fact, blaming strikes, union leaders and workers in general for the shortage. The Senate committee found that there had been plenty of shells, that the shortage was due to poor planning by the War Department and blundering in shipment and disposition of shells available. Thousands of tons of critical food supplies, eggs, butter, and similar items, have been lost in the same manner. Strikes are often indefensible, but the cost of brass-hat mismanagement makes pikers of the strikers.

2. Materials were supplied to our Allies under lend-lease so that we might defeat the Axis. Congress did not intend to furnish foreign nations with weapons for standing armies or for the policing of colonies. It is a well known fact that large amounts of lend-lease materials, paid for by American taxpayers, have been diverted by the British to hold down India, kill or imprison Greek workers and otherwise preserve empire interests. The French Army, also rearmed by American taxpayers, has done the same thing in the Near East and will soon be doing it in Indo-China. However, no effort is being made to recover the vast amounts of lend-lease weapons and supplies which are now being used to hold back and destroy the growth of the same freedoms American boys are fighting for. Much of this material could be used in the Pacific combat areas, but "no one has even given any thought," says the committee, to getting it back for our own use.

3. According to the report, our

decidedly flimsy and would never stand in any ordinary criminal case.

Thus the smaller company, which could have been reorganized, saving the stockholders money as well as hundreds of jobs, was removed from competition by Bethlehem Steel, which has practiced selfish monopolistic controls for years.

This is the same Bethlehem Steel Company which once confessed, under Congressional investigation, that it spent a large sum of money to wreck the disarmament conference of the old League of Nations.

Chemicals

The great cartels divided the world markets among themselves and, with the outbreak of war, made adjustments so that they might continue their grip on world trade. For instance, Merck & Co., Inc., the firm which leads in the manufacture of pharmaceutical chemicals in the United States, took over for the duration of the war the Latin American customers of its German associate, the E. Merck Chemical works. The arrangement provided that after the war the original distribution of trade would obtain.

The usual agreements between American and German companies gave the United States markets to the American firms and the rest of the world, including Latin and South America, to the German partner, with the American companies often helping the German organizations by supplying western hemisphere markets during hostilities when the British blockade cut off German shipments to South America. An official of the American Chemical Marketing Company wrote to his German business partner:

"We insure thereby that the German trade up to the present with our South and Central American friends can be held firmly in our hands and, should export from Germany become impossible—as you yourself can well visualize—the loss would be much less if for the duration of the war our American chemicals can be delivered, rather than complete loss of business for many, many years, if we place our clients in such a position that they can continue to serve their customers."

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CHRISTIAN TRUTH IN WAR TIME

As we become callous to war's human toll, the Christian doctrine of life can rise before us in startling contrast. In referring to the enemy, even some pulpits seek to evade this truth. But the truth still stands and will continue to stand until men have returned to it or until civilization has been destroyed and it stands alone as the only basis upon which civilized society can begin again. The teachings of Christ are not just supplementary to life but are basic and fundamental.

The British Election

The American people have suddenly found that they were victims of one of the greatest deceptions in their political experience. For years the great financial powers which control our press and radio, many of which have been in league with the imperialistic tory powers of Britain, have conspired to prevent the American people from knowing the true political situation in England. Only praise of Churchill and the tory government was allowed to reach the American people and all criticism was suppressed.

While we forecast that Churchill would be re-elected by a small margin, believing the war would have to end before the tory grip on Britain could be broken, Between the the Lines has been one of the few sources of information in America which dared to give the truth about the dangerous, undemocratic nature of the Churchill regime.

Churchill has been a great and courageous war leader, although he has also made costly tragic blunders which were hushed up and smoothed over. His mastery of the spoken word gave him unusual power. But his political and economic philosophy is such that, in the words of H. G. Wells, England's great historian, "He will finish us unless we finish him." The fact that many of England's greatest writers, scientists, educators and religious leaders agreed in varying degrees with H. G. Wells' strong pronouncement was kept from the American people. Churchill's quarrels with Stalin and his blunt blocking of many of Roosevelt's moves toward a democratic peace also were hushed up.

The British people, bled white by two wars in one generation, could not endure the thought that all was only to perpetuate and reinstate a system of inherited wealth and privilege for the few, paid for by the toil, sacrifice and blood of the common people, and they rebelled against the economic and political futility which Churchill stood for.

The Labor government in Britain is not a communistic government as many of the spokesmen for large financial and industrial interests in America are trying to imply. The British Labor government is made up of men who are for the most part anti-communistic. That they are socialist is obvious. Many of them are Christian laymen with devout religious attachments.

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no one has even given any thought, says the committee, to getting it back for our own use.

3. According to the report, our military government in Germany, under pressure from the State Department, has given former Nazis influential jobs as factory managers, police and municipal officers.

4. Acting with the secret approval of our State Department, England puts no prices on the invoices she gives the United States for supplies furnished this country under reverse lend-lease. Pleading the necessity for eliminating as much bookkeeping as possible, the British give us only quarterly summaries of total value upon which we have no way to check and which may contain misrepresentations of values. For a while our Navy Department had been getting reverse lend-lease prices from the British Admiralty, but this practice was stopped, the British clerks even taking the time and trouble to clip out with a scissors the prices shown on invoices.

The Senate committee states that we have furnished lend-lease prices to the British without difficulty and that it (the committee) "is not impressed by the shortage of clerical manpower as an excuse for failure to keep accurate records of transactions between governments." "The State Department's role in this matter has been anything but a vigorous championing of United States interests," the committee's report reads. Our readers will recall the many reports we have issued showing how the policies of our State Department have been chiefly controlled by great financial interests in Wall Street which are partners with the London, Dutch and French world empire monopolies of rubber, oil, tin, chemicals and other basic resources.

The Church at San Francisco

National church leaders are realizing that the voice of the church had greater influence at the San Francisco deliberations than at any other diplomatic conference in history. There were 42 recognized consulting organizations at San Francisco, of which at least sixteen or seventeen were religious in nature and probably ten or twelve Protestant. The American delegation was especially responsive to this group.

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Britain Under the Laborites

The Labor government will not, of course, change the British empire overnight. Many things about the Empire are admirable and constructive and do not need to be changed. Other characteristics, however, are rooted in exploitation and greed. Those the Laborites will face as time gives opportunity. While the new London government is thoroughly committed to full cooperation with America in continued prosecution of the war, many matters of American international affairs will be affected by the political reversal in London, most of them favorably.

1. Churchill sacrificed many lives and much money to try to preserve the old aristocracy and kings of Europe. The Laborites will try to untangle the unhappy situation which exists in Greece and Italy because of Churchill's policy.

2. Churchill backed Franco up to the last day of the war, although Franco was giving full cooperation to the Axis. This was chiefly due to secret agreements with Franco providing for the restoration of the monarchy and the prevention of a left swing in Spain. Franco was feebly attempting to meet these terms when Churchill fell.

3. The whole British policy toward India, Burma and Hong-Kong will most likely change slowly from a stubborn clinging to systems of racial domination and exploitation to friendly cooperation and progress toward national independence for subject races. Roosevelt, while investing millions of American dollars and thousands of American lives in the war in these areas, had asked for some guarantee of such changes and reforms but was bluntly and almost insultingly rebuffed by Churchill, a well known fact among Washington newsmen.

4. Palestine and the whole Near East problem faces a gradual reversal of policy. Keep in mind the fact that all such changes must of necessity be gradual.

5. The Churchill government had been quietly blocking the war crimes trial of top-layer Nazis, and had even prevented in some cases the arrest of leading Nazi industrialists. The Laborite government is expected to favor the prosecution of all Germans responsible for the Nazi regime.

6. A whole new policy toward Russia will be instituted by the new London government. Churchill was pronouncedly anti-Russian and had been for years. Only since Russia's war on Germany had he camouflaged his distaste for Moscow and all its works. Stalin knew this all along, hence London-Moscow relations have been rocky and often dangerously tense. The Laborites are pro-Russian without being communistic. Those who make charges that the new Prime Minister, Bevin, Laski and other new government leaders are pro-communist are uttering absolute falsehoods for insidious purposes. The Socialist-Labor program of the new London regime is far different from the dictatorship of Russia with the Soviet's non-parliamentarian rule and absolute state collectivism.

A big propaganda campaign is being prepared in American upper economic levels, augmented by the Catholic hierarchy, to discredit the new London government with claims that it is "the same as Russia." This propaganda wave of misrepresentation and twisted half-truths will soon provide a crisis in American thinking. Every Christian layman should do his part to keep the thinking and vision of America clear.

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How the Average Citizen is Affected

Such cartel agreements, says the Justice Department, control 31.8 per cent of world exports, a condition which may appear to be vague to the average layman but which affects him vitally in many ways. Cartels are described as understandings between the big industrial producers. These understandings are designed to guarantee control and maintain profits by keeping prices high, restricting production, eliminating competition and preventing new developments which might upset these arrangements, regardless of whether or not the new developments would provide better national health, more jobs or other public benefits.

Monopoly control of any industry tends to mean restricted production—more profits can be made by selling a little at a high price and high unit profit instead of a large amount at low prices and a lower unit profit—and restricted production means fewer jobs. So fundamental is the cartel doctrine of limited production that subsidies have been paid producers for not producing, and cartel members who produce beyond their assigned quotas have been penalized.

Matches

An excellent example of restricted production is offered by the match cartel. Department of Justice records state that in 1920 American match interests agreed with the Swedish Match Company to destroy virtually its entire safety match business, including the scrapping of its largest plant.

Glass Containers

The Hartford-Empire Company, American partner of the glass container monopoly, asked a potential competitor to raise its price on container machines from $9,500 to $13,500 and to turn over the $4,000 difference to the monopoly. The competitor attempted to fight the monopoly, was sued for patent infringement and was quickly eliminted from production.

Vitamin D

The Wisconsin Alumni Research Foundation, a vitamin manufacturing monopoly which controls the patents for Vitamin D, made agreements with its competitor, Standard Brands, whereby Standard Brands would be paid 40 per cent of the profits in this field in return for complete stoppage of vitamin production. Thus Vitamin D products were kept limited in production, cost was high, millions of Americans couldn't afford to buy the product and only the monopoly profited.

Because of such medical products monopolies, the sick are often deprived of the help they need, the unnecessary high prices proving prohibitive, especially to lower income families. Vitamin D, for instance, is essential in the treatment of rickets and other deficiency ailments which are apt to be "poor man's diseases."

The Answer

Now as we said at the beginning of this report, the chief characteristic of these abuses of the profit system are that they stem from the moral structure of a few men, and not from the economic structure of our national life. That is why humanity deceives itself if it believes that a mere supplanting of materialistic socialism or communism over these moral inadequacies will save us. The chaos, oppression and slaughter which prevailed during the first twenty years of Russian communism is evidence of this. Only as Russia has returned to religion and as the reformation and restoration of the church has been effected has a hope of a better day been apparent in the Soviet. The outstanding hope in the new British political and economic scene is that many of the new leaders are men of strong spiritual loyalties.

If industrial and financial interests in America want to save themselves, they must recognize that our only hope is in a spiritual recovery, in repentance and faith. Of course men are all alike. Little men are just as liable to be selfish and greedy as men in large business enterprises, and many men who are high up in industrial and financial circles are sincere, public-spirited, progressive citizens. But it certainly makes a big difference to human society whether selfishness and greed dominate a man who earns $40 a week or a man who controls $400,000,000.

(*To be concluded in the next issue*)